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City of Detroit



CITY COUNCIL

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PEGGY ROBINSON
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TO: The Honorable City Council

FROM: David Whitaker 
David Teeter 

DATE: February 15, 2006

RE: **Water and Sewerage Contract CM-2007, Water Meter Replacement
Installation of Automatic Meter Reading Equipment**

The City Council has requested the Research and Analysis Division to provide a report on the Water and Sewerage Contract (CM-2007) for installation of automatic meter reading equipment and the replacement of water meters. Contract CM-2007 was awarded to Detroit Meter Partners, a Detroit-based joint venture, for an estimated cost of \$154,212,000. The term of the contract is 1,460 days (4 years). This contract has been approved by the Board of Water Commissioners on December 14, 2005 and authorized by the Mayor as Special Administrator for the Water and Sewerage Department, according to Order Number 2005-71, signed by the Mayor on December 16, 2005. Copies of the Mayor's Order No. 2005-71 and the report submitted to the Board of Water Commissioners is attached to this report.

Request for Proposals

A Request for Proposals for "Water Meter Replacement and Automatic Meter Reading Equipment Installation" was available beginning August 22, 2003. Proposals were due on October 23, 2003. The proposal indicates that DWSD was seeking a firm to provide design-build services under a negotiated fixed-price contract to complete the following:

1. Replacement of approximately 230,000 to 270,000 retail water meters in the City of Detroit at residences, businesses and industrial sites;
2. Design and installation of an Automatic Meter Reading System, integrated with the retail water meters and the Customer Billing Management System;
3. Integrating the Automatic Meter Reading System with the Customer Billing Management System;
4. Providing all required hardware and software;
5. Survey and repair meter pits;
6. Determine proper sizes for the water meters;
7. Provide extended maintenance on the Automatic Meter Reading System;
8. Provide an electronic interface between the Customer Billing Management System and the Enterprise Maintenance Planning and Control System;
9. Any other work as required by the contract.

The Honorable City Council
Water and Sewerage Contract CM-2007, Water Meter Replacement,
Installation of Automatic Meter Reading Equipment
February 15, 2006

Page 2

The Request for Proposals indicates that the Automatic Meter Reading Equipment shall be radio-based with the capability of drive-by data collection.

Background information provided in the Request for Proposals indicates that currently, there are a variety of water meters used in Detroit. Currently used are Badger models with Outside Reading Devices, Sensus SR meters with Sensus RadioRead® Meter Transmission Units, and various other meters which may or may not include an outside reading device. The Badger models are the older variety of water meters. The Sensus meters have been installed to replace the Badger models since 1996. The Sensus meters have been installed at approximately 35,000 locations scattered throughout the City. The Sensus meters can be read by DWSD on a walk-by basis, but they are also capable of being read using drive-by equipment. CM-2007 provides for replacement of all the older meters (installed before 1996), which cannot be read from a hand-held radio unit, primarily the existing Badger meters. Also to be replaced are all retail meters larger than 1-inch installed before 2000; other existing meters that are not functional as warranted. The newer Sensus brand of meters that may be retained, will be equipped with the Automatic Meter Reading technology.

In addition to replacement of outdated meters, the proposal states that the services provided by the contractor will also include making recommendations on the size and type of meter to be installed at each retail account. The Water and Sewerage Department will provide the contractor with water consumption data for each retail meter of 3-inches and larger over a recent 12 to 24 month period. The data provided will be used by the contractor to identify those meters that are improperly sized for the actual flows and to determine the proper meter size for that location and account.

The proposal provides detailed requirements for the Automatic Meter Reading equipment. These requirements include the following:

- Radio frequency based, with drive-by data collection;
- Allow collection of data at a speed of 30 miles per hour or greater and ability to store data from a full day of driving without requirement to download data during the day;
- The system should be capable of a minimum collection of 3,500 readings per hour;
- Ability to function with water meters of two or more manufacturers to allow choice of future meters;
- Design the drive-by system, coordinating routes;
- Provide new vehicles for data collection, vehicles shall be Ford Explorer, Chevrolet Blazer, Chrysler Jeep-Cherokee or approved equivalent;
- Compatibility of Automatic Meter Reading equipment with the Customer Billing Management System to be able to download collected data to Customer Billing;
- Installation of the Automatic Meter Reading computer facility in the DWSD Central Services Facility.

The Honorable City Council
Water and Sewerage Contract CM-2007, Water Meter Replacement,
Installation of Automatic Meter Reading Equipment
February 15, 2006

Page 3

The CM-2007 contractor is also required to provide for notification of customers and tenants of the work to be done at their residence or business and minimize any impact of construction or shutdown of water supply for installation of new meters or other equipment. The contractor is specifically required to not only notify property owners, but also the tenants or renters that may be affected. A separate mailer is to be provided for tenants. The contractor is to develop and implement a comprehensive Customer Relations Program to inform all customers of the purpose of the meter replacement program and its effect on the retail customers. Brochures or color mailers will be developed to explain the process for seeking access to the customer's home or business, equipment to be installed, and identification of the contractor's employees that will be installing equipment. The contractor will maintain a public information web site that will be updated monthly.

Benefits and Objectives of the CM-2007 contract are indicated to include the following.

- Replace aging water meters with properly sized new meters that will reduce revenue loss due to meter inaccuracy;
- Automatic meter reading capability for all of DWSD'S retail water meter will allow billing on a monthly basis;
- Complete integration of meters, meter reading system and the Customer Billing system;
- Reduces tampering and theft of water;
- Improve accuracy of meters and billing, reduction of missed readings;
- Improve customer service through more accurate and frequent meter readings;
- Reduction of maintenance and service to retail meters and reduction of service time;
- Automatic Meter Reading system that can function with multiple meter brands;
- Reduce hazards and reading difficulties experienced by employees;
- Reduce reliance on manual processes, manual data entry and data transcription.

Minimum qualifications required for a proposal to be considered included:

1. Proposed Automated Meter Reading system to have been in operation at least 2 years by a water utility serving at least 40,000 meters at 1 utility;
2. The primary contractor selected by the City must have completed a contract with a value of at least \$50,000,000;
3. The proposal must demonstrate experience with contracts involving plumbing and meters;
4. At least 50,000 of the new meters proposed to be installed must currently be in service by a water utility in the United States for at least 3 years;
5. The proposal must demonstrate experience in developing custom interfaces with Oracle-based software packages;

The Honorable City Council
Water and Sewerage Contract CM-2007, Water Meter Replacement,
Installation of Automatic Meter Reading Equipment
February 15, 2006

Page 4

6. The lead firm, identified in the proposal, must demonstrate available performance and payment bonding capacity in the amount of the proposal price;
7. The proposal must comply with Executive Order 22 that requires specific percentages of worker hours in construction projects be performed by Detroit residents, minorities and women;
8. Compliance is required with Executive Order 4 to meet a 30% goal of contracting with Detroit-based or small businesses;
9. DWSD encourages contractors to meet voluntary goals of 25% participation by Minority Business Enterprises and 10% participation of Women Business Enterprises in total contract costs and work hours;
10. The contractor and all subcontractors are required to obtain clearances from the Human Rights Department and the Finance Department.

Evaluation of Proposals

The Request for Proposals indicated a due date for proposals of October 23, 2003. DWSD issued a number of addendums to clarify and respond to questions from businesses. The final due date issued for the receipt of proposals was March 10, 2004. Two (2) proposals were received from Detroit Meter Partners and Johnson Controls, Inc. An Evaluation Committee was established to review and score the proposals. According to information provided to the Board of Water Commissioners, the Evaluation Committee met August 3, 4, 12, September 14, and October 22 to discuss the proposals. The businesses submitting proposals also gave oral presentations on their Drive-By automatic meter reading system, as specified in the RFP, and an alternate Fixed Base automatic meter reading system to clarify their proposals. The Evaluation Committee was assisted by the DWSD consultant, PMA Consultants and the Contracts and Grants Division staff of DWSD.

Proposals were scored for both the Drive-By System specified in the RFP and the alternate Fixed-Base System. A detailed break-down of the scores is included in the attached report to the Board of Water Commissioners. Out of a possible 7,000 points, Detroit Meter Partners scored the highest at 6,938 for the Drive-By, and 6,858 for the Fixed Base. Johnson Controls scored 5,213.5 for the Drive-By system and 5,611 for the Fixed-Base system. The areas of significant difference between the two proposals were primarily in Local Economic Development, and secondarily in Technical Proposal, Staff Experience, and Cost. Detroit Meter Partners scored significantly higher in local economic development due to the high percentage of the contract work to be performed by Detroit Headquartered Businesses (100%) and Minority Business Enterprises (62.22%).

The Honorable City Council
Water and Sewerage Contract CM-2007, Water Meter Replacement,
Installation of Automatic Meter Reading Equipment
February 15, 2006

Page 5

Detroit Meter Partners also submitted the lowest cost for each system, \$169,444,707.68 for the Drive-By system and \$185,969,251.76 for the Fixed-Base system. The cost submitted by Johnson Controls was \$202,883,850 for the Drive-By system and \$205,244,555 for the Fixed-Base system. The Department's estimated cost for this project was \$192,000,000.

Detroit Meter Partners include the following businesses and their role: Walbridge Aldinger, prime contractor; Weiss Cosntruction, prime contractor; Hale Contracting, prime contractor; Cole Financial Services, financial and clerical services; Metco Services, designer of record; Bruner Plumbing & Heating, installation of 2-inch meters and smaller; Symcon, Inc., call center management; and Berg-Muirhead and Associates, public relations. The Johnson Controls proposal included the following businesses: Johnson Controls as prime contractor and designer of record, Sigma Associates, Sync Technologies, Genesis Energy Solutions, XCEL Construction, and DeWay Development.

Following the evaluation and scoring of the proposals, before designating a proposal to begin negotiations, the Department and the Evaluation Team investigated the potential of the Fixed-Base system. Two sites were visited, including Washington D.C., that use a fixed-base system to read the water meters. The fixed-base system enables meters to be read from a fixed site or location. According to information received from DWSD, a program to replace suburban meters was initiated in the late 1990's. The new suburban meters that were installed are read by a fixed base system. Based on the observations that the fixed base system works well in other locations in addition to the success with the suburban meters, it was determined that the fixed-base system offered the best overall value to the City. It is also believed that the fixed-based system, in comparison to the drive-by system, will ultimately reduce costs that would be passed on to the customers.

Negotiation with designated proposal

Detroit Meter Partners was ranked the number one proposal and recommended to be the design/build contractor for the Water Meter Replacement and Automatic Meter Reading Equipment Installation. Following this designation, DWSD held a series of meetings with Detroit Meter Partners from September 14th through November 4, 2005 to negotiate the final contract with Detroit Meter Partners. The final cost, as presented and approved by the Board of Water Commissioners, is \$142,580,000 for the construction and design project. This is indicated to represent a reduction of \$31,757,252 from the cost initially submitted by Detroit Meter Partners. There is no documentation from the Water and Sewerage Department to explain where costs were reduced from the Detroit Meter Partners proposal

The Honorable City Council
Water and Sewerage Contract CM-2007, Water Meter Replacement,
Installation of Automatic Meter Reading Equipment
February 15, 2006

Page 6

In addition to the construction and design cost of \$142,580,000, the final agreement includes 10 allowances for costs controlled by the Water and Sewerage Department. The allowances provide for abatement of hazardous materials that may be encountered, differing conditions, replacement valves and fittings, repairs to meter pits where required, repairs to computer hardware, spare parts, technical support to DWSD. The specific allowances provided in CM-2007 include:

Provisionary allowance changes	\$2,000,000
Provisionary allowance-meters	2,000,000
Installation materials	1,000,000
Provisionary allowance, Meter pit repairs	500,000
Provisionary allowance, Owner requested materials	500,000
Cash allowance, spare parts	800,000
Cash allowance, hardware and software	2,500,000
Provisionary allowance, Technical services	1,500,000
Provisionary allowance, Hazardous materials	832,000
Provisionary allowance, Data verification personnel	Listed, but no funding is indicated.

The Honorable City Council
Water and Sewerage Contract CM-2007, Water Meter Replacement,
Installation of Automatic Meter Reading Equipment
February 15, 2006

Page 7

Presentation to the City Council

It is our understanding that the contract with Detroit Meter Partners, based on their proposal and subsequent negotiations, is being prepared. Once the contract has been completed and signed by members of the Joint Venture and Mr. Mercado on behalf of DWSD, the contract will be submitted to Finance and Budget to review and enter into the City's system. It is estimated that the contract will be provided to the City Council during March.

This process does not seem unusual for a major, and complicated, project such as this one. The City Council may have noted that contracts approved by the Board of Water Commissioners may not appear before the City Council for 4 to 6 months. Following approval from the Board of Water Commissioners, the final contracts are prepared and clearances are obtained from the Human Rights and Finance Departments. This contract for water meter replacement and installation of the automatic meter reading equipment will be submitted to the City Council as a notification of the contract, not for approval. CM-2007 was approved with Detroit Meter Partners by the Mayor, in his capacity as Special Administrator, designated by Judge Feikens of the United States District Court, on December 16, 2005.

Please contact the Research and Analysis Division if there are questions or concerns with information in this report that can be addressed by this staff.

Attachments

SPECIAL ADMINISTRATOR
OF
THE DETROIT WATER AND SEWERAGE DEPARTMENT

ORDER NUMBER 2005-71

TO: Honorable City Council
 Honorable Board of Water Commissioners
 Department Heads and Deputies
 Executive Staff Boards and Commissions

SUBJECT: Award of Contract CM-2007

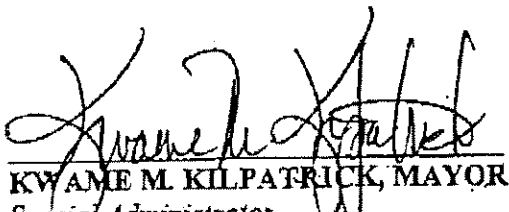
On February 7, 2000, the Federal District Court issued an Order and Supplement to Order Appointing Special Administrator for the Detroit Wastewater Treatment Plant of the Detroit Water and Sewerage Department ("DWSD") in the matter of *U.S. EPA v City of Detroit, et al*, Case No. 77-71100 ("Orders"). The Orders created the position of Special Administrator of the Detroit Wastewater Treatment Plant for the purpose of correcting the causes of noncompliance by DWSD with its NPDES permit and for the purpose of achieving long term, sustained compliance with the permit. On December 3, 2001, by Order Continuing Special Administratorship for the Detroit Water and Sewerage Department, effective at 12:01 a.m. on January 1, 2002, I was appointed Special Administrator of the Detroit Water and Sewerage Department, and the purposes of the Orders were continued. The February 7, 2000 Order provides that compliance with the NPDES permit is to be achieved and sustained by the correction of the causes identified in the Report of the Committee, by carrying out the provisions of the July 12, 1999 Plan for Compliance of the Detroit Water and Sewerage Department and by carrying out the recommendations of the Organizational and Operational Review Report of March 1995. These documents form the foundation of the responsibilities to be undertaken by me.

The Orders, as continued by the December 3, 2001 Order, further provides that as Special Administrator, I shall have full power and authority to control, manage and operate the DWSD, including all functions and powers of the Detroit City Council, the Detroit Board of Water Commissioners, the DWSD and any other departments, boards or divisions of the City of Detroit to the extent that they affect my ability to meet the requirements of sustained compliance with the NPDES permit, the Second Amended Consent Judgment ("SACJ"), and other specific responsibilities outlined in those Orders. They also provide me the power to enter into and perform all contractual obligations of the system related to the wastewater treatment plant, and to have such contractors, which I deem necessary or appropriate.

Among obligations of the Special Administrator under various court orders is to ensure the collection of receivables and proper operation, maintenance, and conservation of system assets. The City of Detroit's residential, commercial, and industrial retail water meters are outdated and/or inaccurate. This has led to revenue loss, exorbitant maintenance, repair and replacement costs and lengthy service times. In addition the department has a time-consuming real estate transaction process, and lengthy investigation periods for meter tampering, billing disputes and water leak detection, all of which translate into more costs to DWSD.

DWSD proposes to enter into Contract No. CM-2007 with the Detroit Meter Partners to provide design/build services for the replacement of retail water meters in the City of Detroit and the design and installation of an Automatic Meter Reading (AMR) system to be seamlessly integrated with the retail water meters and DWSD's Customer Billing Management System (CBMS) to collect the water consumption data by radio from each meter and provide it electronically into CBMS. This new system will reduce revenue loss and service time; eliminate misread meters as well as simplifying final meter readings for real estate transactions. Having accurate meter readings and implementing a monthly billing cycle will improve DWSD's cash flow. Meter reading costs will diminish because of the AMR system's ability to collect daily meter reads. In addition, the AMR system will virtually eliminate misread meters and the need for estimated billing due to nonworking meters. Detroit Meter Partners was the lowest responsive, responsible bidder for this contract. The Board of Water Commissioners approved this contract on December 14, 2005. In order to satisfy my obligations as Special Administrator to ensure that DWSD complies with the requirements of the NPDES permit and the SAJC, I have authorized DWSD Director Victor M. Mercado to approve and execute Contract No. CM-2007 by and between the City of Detroit, acting by and through its Board of Water Commissioners and the Detroit Meter Partners.

I HEREBY AUTHORIZE DWSD Director Victor M. Mercado to enter into Contract No. CM-2007 with the Detroit Meter Partners.


 KWAME M. KILPATRICK, MAYOR
Special Administrator
Detroit Water and Sewerage Department

Dated: 12/16/05

CITY OF DETROIT
WATER AND SEWERAGE DEPARTMENT
BOARD OF WATER COMMISSIONERS

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Agenda of December 14, 2005

Item No. 10.A.4
Proposed Contract No. CM-2007
Amount: \$154,212,000.00

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Victor M. Mercado, Director
Water and Sewerage Department

DATE: December 14, 2005

RE: Proposed DWSD Contract No. CM-2007
"Water Meter Replacement and Automatic Meter Reading
Equipment Installation" Contractor: Detroit Meter Partners

I. Motion:

Upon recommendation of Gary Fujita, Deputy Director, the Board of Water Commissioners authorizes the Director to enter into a contract with the Detroit Meter Partners for Contract No. CM-2007, "Water Meter Replacement and Automatic Meter Reading Equipment Installation" (Design/Build) in an amount not to exceed \$154,212,000.00, for a duration of 1460 Calendar Days, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

II. Justification:

The Detroit Water and Sewerage Department (DWSD) has determined that it is in the best interest of the City of Detroit that all residential, commercial, and industrial retail water meters be replaced for the following reasons:

- Revenue Loss - Based on sample accuracy tests performed on 220 meters in 1995, it is estimated that DWSD has lost 8-12% of revenues due to inaccurate "under" registering of water usage.

- Exorbitant Maintenance, Repair and Replacement Costs – The age of many residential meters have caused maintenance, repair and replacement costs to increase.
- Maintenance, Repair, and Replacement Service Time - The current time frame for customer service representatives to service meters is approximately 45-60 days due to the service needs and/or replacement of aged and inaccurate meters and understaffing.
- Real Estate Transactions – Final meter readings for real estate transactions and the account transfer process are time consuming and costly. DWSD must schedule appointments with customers to obtain the final meter reading and then send meter readers out to the premises.
- Meter Tampering Detection – Residential meter tampering is costly to DWSD in that the detection process takes six (6) to nine (9) months to investigate and determine because readings are done on a quarterly basis, and reduces revenue.
- Water Leak Detection – Water leak detection requires a comprehensive investigation that is only initiated with a complaint from a customer when a high bill is received. The current system does not allow the Department to be proactive in detecting leaks.
- In-City Water Loss Analysis – Faulty meters currently read quarterly, can lead to an inaccurate In-City Water Loss analysis that will also affect rate determinations.

III. Objectives:

The intent of this contract is to replace all residential, commercial and industrial retail water meters in the City of Detroit and to simultaneously install a Fixed Network Automatic Meter Reading (AMR) system. The benefits to DWSD are as follows:

- Reduce Revenue Loss - Accurate meter reads, in conjunction with monthly billing, will improve cash flow. The AMR system will also reduce the cost of meter reading because of its capability of automatically collecting daily meter reads.
- Eliminate Misread Meters – The AMR system will virtually eliminate misread meters and the need for estimated billing due to nonworking meters.

Board of Water Commissioners

December 14, 2005

Page 3

RE: Proposed Contract No. CM-2007

- **Reduce Service Time** – The meter replacement program will reduce service time to 7-14 days. This will allow meter operations to focus more on preventative maintenance for commercial sized meters, which will extend the performance life of the meters.
- **Simplify Real Estate Transactions** - Final meter readings and account transfer process for Real Estate transactions can be taken at the office rather than scheduling appointments with customers and sending meter readers to the premises.
- **Eliminate Meter Reading Field Hazards.**
- **Read Meters Several Times a Day** – The capability of reading meters several times per day would:
 1. Decrease customer water loss by detecting water leaks in the home.
 2. Detect meter tampering within hours rather than months.
 3. Assist in computing in-city water losses for improved rate making purposes.
 4. Provide useful information to residential and commercial customers as to their usage trends and any significant changes.
- **Communicate Interactively** – The AMR system can communicate with several brands of meters, including the meters installed since 1996. This allows for competitive bidding of future meter purchases.
- **Install Meter Interface** – The installation of a meter interface unit (radio module) at the home has a 20-year project battery life.

IV. Summary of Negotiations:

The negotiations process was comprised of a series of meetings with the Detroit Meter Partners, as well as several written correspondences (clarifications and requests for cost quotations) from September 14, 2005 through November 4, 2005. The final offer is summarized as follows:

	Detroit Meter Partners (Negotiated)	Detroit Meter Partners (Original)	Difference
Proposed Construction and Design Project Cost	\$ 142,580,000.00	\$174,337,251.76	(31,757,251.76)
Provisionary Allowance- Changes	\$ 2,000,000.00	\$ 2,000,000.00	0.00
Provisionary Allowance- Meter	\$ 2,000,000.00	\$ 2,000,000.00	0.00
Installation Materials Provisionary Allowance-	\$ 1,000,000.00	\$ 1,000,000.00	0.00
Meter Pit Repairs	\$ 500,000.00	\$ 500,000.00	0.00
Provisionary Allowance- Owner Requested Materials	\$ 500,000.00	\$ 500,000.00	0.00
Cash Allowance-Spare Parts	\$ 800,000.00	\$ 800,000.00	0.00
Cash Allowance-Hardware and Software	\$ 2,500,000.00	\$ 2,500,000.00	0.00
Provisionary Allowance- Technical Services	\$ 1,500,000.00	\$ 1,500,000.00	0.00
Provisionary Allowance- Hazardous Materials	\$ 832,000.00	\$ 832,000.00	0.00
Provisionary Allowance-Data Verification Personnel			
Total Proposed Cost (not-to exceed)	\$ 154,212,000.00	\$185,969,251.76	(31,757,251.76)

Highlights of the negotiated offer include:

- (i) Replacement of retail water meters, meter interface units (MIUs) to be installed where meters have recently been changed, and installation of a fixed-base AMR system. Performance of the AMR system is guaranteed. Costs include an upgrade to single jet meters in lieu of 3" to 6" compound and turbine meters. Meter and MIU quantities reflect current expectations based on Meter Operations recent installation history.
- (ii) All information technology services (interfaces, hardware, software, services and training) necessary for DWSD's independent operation of the AMR system, as well as Work Force Management, TIBCO bus interfaces, and Documentum project management tools.
- (iii) All other work necessary for meeting the Contract requirements.

Board of Water Commissioners

December 14, 2005

Page 5

RE: Proposed Contract No. CM-2007

- (iv) Significant reductions in the Contractor's overheads and mark-ups were negotiated.

The final agreement includes 10 DWSD-controlled allowances totaling \$ 11,632,000.00, representing approximately 7.5% of the Contract Price. These allowances are necessary to provide for abatement of hazardous materials expected to be encountered, differing conditions, replacement valves and fittings where required by existing conditions, meter pit repairs where required, spare parts, computer hardware repair, water shut-offs where required to secure compliance, technical support to DWSD and data verification support for Commercial Operations.

The Detroit Meter Partners offer met the requirements of the CM-2007 Request for Proposals (RFP). The Detroit Meter Partners explicitly stated that its full and final offer is based on Detroit Meter Partners performance and completion of the entire Work of Contract No. CM-2007 without any adjustment of Contract Price and/or Contract Time(s).

V. Project Schedule:

Activity Description	Days after Notice to Start Work
Substantial Completion For Large Accounts	TBD
Substantial Completion For Small Accounts	TBD
Final Acceptance and Payment For Construction (FAPC)	TBD
Final Completion (Entire Work)	1460

The Start Work Date depends on award by City Council.

Board of Water Commissioners

December 14, 2005

Page 6

RE: Proposed Contract No. CM-2007

This recommendation was considered by the Board of Water Commissioners and action taken as noted below.

BOARD OF WATER COMMISSIONERS:

ACTION: _____ **DATE:** _____

BY: _____
Victor M. Mercado, Director

BACKGROUND

Procurement Method:

This is an open competitive contract. On March 10, 2004, the Detroit Water and Sewerage Department (DWSD) received two (2) proposals in response to its August 15, 2003, Request for Proposals (RFP) for the "Water Meter Replacement and Automatic Meter Reading Equipment Installation (Design/Build)" Project. These proposals were forwarded to the Evaluation Committee for review. Each member of the Evaluation Committee independently reviewed the proposals. In accordance with (DWSD) policy, the Evaluation Committee met August 3, 4, 12, September 14, and October 22, 2004, to discuss each issue in the proposals before the evaluators (DWSD employees only) scored the proposals. In addition, the proposers gave Oral Presentations on both their Drive-By and Fixed Base Systems to further clarify the proposals. In the presence of DWSD consultant representative, PMA Consultants LLC, Contracts and Grants staff who facilitated, the evaluation committee reviewed and scored the proposals in accordance with the Department's policy. The possible range of scores was from 0 to 7000. The detailed scoring breakdown for Proposed Contract No. CM-2007 is as follows:

FIXED BASE SYSTEM

The following table indicates the firm's score in each category:

Firm	Maximum Possible Points	Detroit Meter Partners	Johnson Controls, Inc.	Difference
Work Plan	770	708	743	(35)
Ability to Perform Work	700	657	689	(32)
Staff Experience	1050	1050	939	111
Technical Proposal	1680	1643	1427	216
Local Economic Development	1050	1050	168	882
Cost	1750	1750	1645	105
Total	7000	6858	5611	1247
RANK		1	2	
Proposed Price		\$185,969,251.76	\$205,244,555.00	(\$19,275,303.24)

Board of Water Commissioners

December 14, 2005

Page 8

RE: Proposed Contract No. CM-2007

The amount of work assigned to Detroit Headquartered Business (DHB), Detroit Based Businesses (DBB), Minority Businesses (MBE), and Women Businesses Enterprises (WBE) is as follows:

Detroit Meter Partners

<u>TEAM MEMBER</u>	<u>DHB</u>	<u>DBB</u>	<u>MBE</u>	<u>WBE</u>
Walbridge Aldinger Company	16.34%	0.00%	0.00%	0.00%
Weiss Construction Company	21.45%	0.00%	0.00%	0.00%
Hale Contracting, Inc.	30.12%	0.00%	30.12%	0.00%
Metco Services, Inc.	1.45%	0.00%	1.45%	0.00%
Bruner Plumbing & Heating Co.	13.57%	0.00%	13.57%	0.00%
Symcon, Inc.	14.86%	0.00%	14.86%	0.00%
Cole Financial Services, Inc.	1.30%	0.00%	1.30%	1.30%
Berg Muirhead and Associates, Inc.	0.92%	0.00%	0.92%	0.92%
TOTALS	100%	0.00%	62.22%	2.22%

The table below lists the roles of the Detroit Meter Partners Design/Build Team:

<u>TEAM MEMBER</u>	<u>ROLE</u>
Walbridge Aldinger Co.	Prime Contractor
Weiss Construction Co.	Prime Contractor
Hale Contracting Co.	Prime Contractor
Cole Financial Services Inc.	Financial and Clerical Services
Metco Services Inc.	Designer on Record
Bruner Plumbing & Heating Co.	Installation of 2" Meters and smaller
Symcon Inc.	Call Center Management
Berg-Murihead and Associates, Inc.	Public Relations

Johnson Controls, Inc.

<u>TEAM MEMBER</u>	<u>DHB</u>	<u>DBB</u>	<u>MBE</u>	<u>WBE</u>
Johnson Controls, Inc.	0.00%	0.00%	0.00%	0.00%
XCEL Construction Services	0.00%	0.00%	4.33%	0.00%
DeWay Development Co.	28.03%	0.00%	0.00%	0.00%
Genesis Energy Solutions	0.00%	0.00%	16.21%	0.00%
Sigma Associates, Inc.	7.03%	0.00%	0.00%	7.03%
SYNC Technologies	4.31%	0.00%	4.31%	4.31%
TOTALS	39.37%	0.00%	24.85%	11.34%

The table below lists the roles of the Johnson Controls, Inc. Team Design/Build Team:

TEAM MEMBER

ROLE

Johnson Controls, Inc.

Prime Contractor, Designer of Record

Sigma Associates, Inc.

Designer of Record

Sync Technologies

Designer of Record

Genesis Energy Solutions

Installer of Small Meters/AMR

XCEL Construction Services

Installer of Large Meters/AMR and Meter Pits

DeWay Development Co.

Public Relations

DRIVE-BY SYSTEM

The following table indicates the firm's score in each category:

Firm	Maximum Possible Points	Detroit Meter Partners	Johnson Controls, Inc.	Difference
Work Plan	770	738	721	17
Ability to Perform Work	700	688	657	31
Staff Experience	1050	1050	939	111
Technical Proposal	1680	1662	1416	246
Local Economic Development	1050	1050	168	882
Cost	1750	1750	1312.5	437.50
Total	7000	6938	5213.5	1724.5
RANK		1	2	
Proposed Price		\$169,444,707.68	\$202,883,850.00	(\$33,439,142.32)

The amount of work assigned to Detroit Headquartered Business (DHB), Detroit Based Businesses (DBB), Minority Businesses (MBE), and Women Businesses Enterprises (WBE) is as follows:

Board of Water Commissioners
 December 14, 2005
 Page 10
 RE: Proposed Contract No. CM-2007

Detroit Meter Partners

<u>TEAM MEMBER</u>	<u>DHB</u>	<u>DBB</u>	<u>MBE</u>	<u>WBE</u>
Walbridge Aldinger Company	16.63%	0.00%	0.00%	0.00%
Weiss Construction Company	23.17%	0.00%	0.00%	0.00%
Hale Contracting, Inc.	25.84%	0.00%	25.84%	0.00%
Metco Services, Inc.	1.53%	0.00%	1.53%	0.00%
Bruner Plumbing & Heating Co.	14.89%	0.00%	14.89%	0.00%
Symcon, Inc.	15.52%	0.00%	15.52%	0.00%
Cole Financial Services, Inc.	1.42%	0.00%	1.42%	1.42%
Berg Muirhead and Associates, Inc.	1.00%	0.00%	1.00%	1.00%
TOTALS	100%	0.00%	60.20%	2.42%

Johnson Controls, Inc.

<u>TEAM MEMBER</u>	<u>DHB</u>	<u>DBB</u>	<u>MBE</u>	<u>WBE</u>
Johnson Controls, Inc.	0.00%	0.00%	0.00%	0.00%
XCEL Construction Services	0.00%	0.00%	5.65%	0.00%
DeWay Development Co.	28.37%	0.00%	0.00%	0.00%
Genesis Energy Solutions	0.00%	0.00%	17.59%	0.00%
Sigma Associates, Inc.	7.05%	0.00%	0.00%	7.05%
SYNC Technologies	6.15%	0.00%	6.15%	6.15%
TOTALS	41.57%	0.00%	29.39%	13.20%

DWSD's original Request for Proposals (RFP) was designated specifically for a Drive-By System. However, proposers submitted alternate proposals for Fixed Base Systems. DWSD determined that both alternates for Fixed Base Systems should be evaluated in addition to the Drive-By System. Both the Drive-By and Fixed Base System Proposals were evaluated and the results are mentioned above.

Evaluation Discussion

The DMP Team scored higher than JCI in four (4) of six (6) categories, namely, Staff Experience, Technical Proposal, Local Economic Development, and Cost. DMP scored 100% of the maximum possible points in Staff Experience. DWSD has had positive relationships with the members of the DMP team; the Evaluation Team knows of their qualifications and work ethics. In addition, DMP's Technical Proposal scored higher in most areas, most specifically, Technical Questionnaire, Systems Interfaces, Meter Equipment Layout, Installation Tracking and Workforce Management, other Technical

December 14, 2005

Page 11

RE: Proposed Contract No. CM-2007

Issues, and Exceptions, Assumptions and Perceived Risk. Furthermore, DMP scored significantly higher under Exceptions, Assumptions and Perceived Risk due to its limited list of exceptions. Conversely, JCI took exception to significant commercial requirements of the RFP, and required that 25% of the contract price be paid up front. DMP received 100% of the maximum possible points in Local Economic Development; 100% of the work will be performed by Detroit Headquartered Businesses. In the cost category, DMP proposed the lowest cost and also the lowest life cycle cost. As a result, DMP received 100% of the maximum possible points in the cost category.

In summary, the DMP Team received the highest point score (by 1247 points) and the lowest cost (by \$19,275,303.24). The Evaluation Team selected the DMP team to enter into negotiations.

Fixed Base System Determination

After the Evaluation Team scored the proposals, and prior to selecting a proposer for Negotiations, a team from DWSD comprised of members of the EMT and the Evaluation Team went to two different site visits, one from each proposer for the Fixed Base System to determine if this system would be viable for DWSD's application. After the site visits, the unanimous opinion of the site visit team was to select the Fixed Base System. During the site visits it was demonstrated that the Fixed Base System worked well for other Water Departments in the country, and billing could be reliably generated directly from the reads. For these reasons and the many advantages of the Fixed Base System along with the successful experience DWSD has had with its suburban meters, it was decided that the Fixed Base System offered the best overall option.

Evaluation Committee Recommendation

The Evaluation Committee recommended that the Detroit Meter Partners, the number one ranked proposer, be named the design/build contractor on this contract.

The Engineers estimate for this project is \$192,000,000.00.